

**STATE MINERAL AND ENERGY BOARD
DOCKET REVIEW COMMITTEE**

ITEMS REQUIRING BOARD APPROVAL

SEPTEMBER 14, 2011

**A. STATE AGENCY LEASES
SEPTEMBER 14, 2011**

La. R.S. 30:151 identifies the term "agency" as a levee district, drainage district, road district, school district, school board, or other board, commission, parish, municipality, state university, state college, state penal or charitable institution or agency, unit or institution of the state or subdivision thereof.

La. R.S. 30:155 provides that, if an agency doesn't want the Mineral and Energy Board to do its mineral leasing, it may do its own mineral leasing, the lease given must still be approved by the State Mineral and Energy Board under R.S. 30:158.

La. R.S. 30:156 provides that, if an agency wants to mineral lease its own property, it must follow the same leasing process as the State does, including advertising, sealed bids, etc.

La. R.S. 30:158 provides that, if a mineral lease given by an agency of its own property is not approved by the Mineral and Energy Board, it is an absolutely void lease.

Pursuant to the above statutory authority, listed below are leases given by state agencies and submitted for State Mineral and Energy Board approval. The staff examines the documents submitted to make sure that the agency follows all of the steps this office goes through in leasing State owned acreage and that the document has been properly notarized.

1. STATE AGENCY LEASE (A)

**VERMILION PARISH,
LOUISIANA**

An Oil, Gas and Mineral Lease from the Vermilion Parish School Board, dated August 11, 2011, awarded to Cypress Energy Corporation, covering lands located in the S/2 of S/2 of Section 16, Township 15 South, Range 1 East, Vermilion Parish, Louisiana, containing 253 acres, more or less, with further contractual obligations being more enumerated in the instrument.

BIDDER AND LESSEE	: Cypress Energy Corporation
BONUS	: \$107,019.00 (\$423.00/acre)
RENTAL	: \$53,509.50
ROYALTIES	: 25% on oil, gas and other minerals
TERM	: 3 years

There was only one bid submitted. (Current rider attached)

**A. STATE AGENCY LEASES
SEPTEMBER 14, 2011**

2. STATE AGENCY LEASE (B)

**ALLEN PARISH,
LOUISIANA**

An Oil, Gas and Mineral Lease from the Louisiana Agricultural Authority, dated August 5, 2011, awarded to Merit Energy Service, LLC, covering lands located in the Southeast Quarter of the Southeast Quarter of Section 26 and the Northeast Quarter of the Northeast Quarter of Section 35, Township 5, South, Range 5 West, Louisiana, Meridian, Allen Parish, Louisiana, containing 80 acres, more or less, with further contractual obligations being more enumerated in the instrument.

BIDDER AND LESSEE	: Merit Energy Service, LLC
BONUS	: \$24,621.60 (\$307.77/acre)
RENTAL	: \$12,310.80
ROYALTIES	: 25% on oil, gas and other minerals
TERM	: Three years

There was only one bid submitted. (Current rider attached)

3. STATE AGENCY LEASE (C)

**UNION PARISH,
LOUISIANA**

An Oil, Gas and Mineral Lease from the Town of Farmerville, dated August 23, 2011, awarded to T. S. Dudley Land Company, Inc., covering lands located in Sections 7, 20, 29, 30 and 31, Township 21 North, Range 1 East, Section 18, Township 22 North, Range 1 West, Sections 3 and 6, Township 20 North, Range 1 East and Sections 1, 2, 11, 12, 23 and 25, Township 21 North, Range 1 West, Union Parish, Louisiana, containing 159.672 acres, more or less, with further contractual obligations being more enumerated in the instrument.

BIDDER AND LESSEE	: T. S. Dudley Land Company, Inc.
BONUS	: \$47,901.60 (\$300.00/acre)
RENTAL	: Paid up lease
ROYALTIES	: 1/5 on oil, gas and other minerals
TERM	: Three years

There was only one bid submitted. (Current rider attached)

B. STATE LEASE TRANSFERS

SEPTEMBER 14, 2011

La. R.S. 30:128 (A) provides that no transfer or assignment in relation to any lease of minerals or mineral rights owned by the state shall be valid unless approved by the State Mineral and Energy Board. Additionally, transfers or assignments shall not be granted to prospective leaseholders that are not currently registered with the office of mineral resources.

This sections deals with such transfers of interest in state mineral leases in the form of assignments of rights, subleases, and stipulations of interest. It also deals with transfers such as mergers or changes of names, which act as an assignment of interest to the newly named or emerging entity from a merger. Accompanying each of the items submitted in this section was an Ownership Transfer Form (formerly called a Form B) listing the pre- transfer ownership interest in the lease and the post- transfer ownership interest. Each document is carefully checked by the staff to ensure that the interest transfer figures are consistent, that our ownership records are complete and that all form requirements are met.

1. ASSIGNMENT

STATE LEASE NOS. 19957
and 20255, St. Mary Parish,
Louisiana

An Assignment from Zeneco, Inc., of all of Assignor's right, title and interest to the following in the proportions set out below:

Castex Energy 2005, LP	32.8125%
Castex Energy 2008, LP	4.6875%
Apache Corporation	37.500%
Roda Drilling, LP	25.000%

in and to State Lease Nos. 19957 and 20255, St. Mary Parish, Louisiana, with further particulars being stipulated in the instrument.

Castex Energy 2005, L.P. is designated as the joint account Lessee (contact person) pursuant to State Mineral and Energy Board Resolution dated September 10, 1975.

B. STATE LEASE TRANSFERS
SEPTEMBER 14, 2011

2. ASSIGNMENT

STATE LEASE NOS. 20179
and 20180, Vermilion Parish,
Louisiana

An Assignment from Patrick L. Donohue Petroleum Properties, Inc. to Dunn Exploration Company, LLC, of all of Assignor's right, title and interest in and to State Lease Nos. 20179 and 20180, Vermilion Parish, Louisiana, with further particulars being stipulated in the instrument.

Dunn Exploration Company, LLC is designated as the joint account Lessee (contact person) pursuant to State Mineral and Energy Board Resolution dated September 10, 1975.

3. ASSIGNMENT

STATE LEASE NOS. 18423,
18521, 18524, 19031, 19190,
19192 and 20473, Cameron
Parish, Louisiana

An Assignment from J&S Oil & Gas, LLC to Jeffrey & Andrea Wilkinson Family Limited Partnership, an undivided 1.5625% of 8/8th interest in and to State Lease Nos. 18423, 18521, 18524, 19031, 19190, 19192 and 20473, Cameron Parish, Louisiana, with further particulars being stipulated in the instrument.

J&S Oil & Gas, LLC is designated as the joint account Lessee (contact person) pursuant to State Mineral and Energy Board Resolution dated September 10, 1975.

4. ASSIGNMENT

STATE LEASE NOS. 378
and 19531, Lafourche Parish,
Louisiana

An Assignment from Energy XXI Onshore, LLC to Castex Energy Partners, L.P., of all of Assignor's right, title and interest in and to State Lease Nos. 378 and 19531, Lafourche Parish, Louisiana, with further particulars being stipulated in the instrument.

Castex Energy Partners, L.P. is designated as the joint account Lessee (contact person) pursuant to State Mineral and Energy Board Resolution dated September 10, 1975.

B. STATE LEASE TRANSFERS
SEPTEMBER 14, 2011

5. MERGER

STATE LEASE NO. 9680,
St. Bernard Parish, Louisiana

A Merger whereby Hall-Houston Oil Company merged with and into Energy Partners, Ltd., under the name of Energy Partners, Ltd., affecting State Lease No. 9680, St. Bernard Parish, Louisiana, with further particulars being stipulated in the instrument.

6. ASSIGNMENT

STATE LEASE NO. 1908,
Lafourche Parish, Louisiana

An Assignment from Hunt Oil Company of Louisiana, Inc., HOC-2000 Drilling Partnership A, L.P., HOC-2000 Drilling Partnership B, L.P. and HOC-2000 Drilling Partnership C, LP, to the following in the proportions set out below:

Manti Equity Partners, LP	56.4%
Manti Exploration & Production, Inc.	3.6%
Dune Properties, Inc.	40.0%

in and to State Lease No. 1908, Lafourche Parish, Louisiana, with further particulars being stipulated in the instrument.

Manti Equity Partners, LP is designated as the joint account Lessee (contact person) pursuant to State Mineral and Energy Board Resolution dated September 10, 1975.

7. ASSIGNMENT

STATE LEASE NO. 340,
Iberia Parish, Louisiana

An Assignment from Chevron USA to Hilcorp Energy I, LP, of all of Assignor's right, title and interest in and to State Lease No. 340, Iberia Parish, Louisiana, **INSOFAR AND ONLY INSOFAR AS** to the portions described on the Exhibit "A" attached hereto, with further particulars being stipulated in the instrument.

Hilcorp Energy I, LP is designated as the joint account Lessee (contact person) pursuant to State Mineral and Energy Board Resolution dated September 10, 1975.

B. STATE LEASE TRANSFERS
SEPTEMBER 14, 2011

8. ASSIGNMENT

STATE LEASE NO. 20178,
Calcasieu Parish, Louisiana

An Assignment from Saur Minerals, L.L.C. to Monitor Energy Partners, L.P., of all of Assignor's right, title and interest in and to State Lease No. 20178, Calcasieu Parish, Louisiana, with further particulars being stipulated in the instrument.

Monitor Energy Partners, L.P. is designated as the joint account Lessee (contact person) pursuant to State Mineral and Energy Board Resolution dated September 10, 1975.

9. ACT OF CORRECTION

STATE LEASE NOS. 334,
335, 340, 341 and 344,
Cameron, Iberia, Plaquemines,
St. Bernard, St. Mary, Terrebonne
and Vermilion Parishes, Louisiana

An Act of Correction of that certain Act of Exchange, dated July 24, 2009, from Rory Scott McFarland to Alpha R2, LLC, whereas said parties desire to correct an error that was made in the Exhibit A attached to said Act of Exchange in that the percentage of interest was shown as 37.5% when in truth and fact it should have been shown as 25% as indicated on Exhibit "A" attached hereto, affecting State Lease Nos. 334, 335, 340, 341 and 344, Cameron, Iberia, Plaquemines, St. Bernard, St. Mary, Terrebonne and Vermilion Parishes, Louisiana, with further particulars being stipulated in the instrument.

10. ASSIGNMENT

STATE LEASE NO. 18370,
Bossier and Caddo Parishes,
Louisiana

An Assignment from Tensas Delta Exploration Company, LLC to TDX Energy, LLC, of all of Assignor's right, title and interest in and to State Lease No. 18370, Bossier and Caddo Parishes, Louisiana, with further particulars being stipulated in the instrument.

TDX Energy, LLC is designated as the joint account Lessee (contact person) pursuant to State Mineral and Energy Board Resolution dated September 10, 1975.

B. STATE LEASE TRANSFERS
SEPTEMBER 14, 2011

11. ASSIGNMENT

STATE LEASE NOS. 20500,
20513 and 20514, St. Tammany
Parish, Louisiana

An Assignment from Harold J. Anderson, Inc. to ConocoPhillips Company, of all of Assignor's right, title and interest in and to State Lease Nos. 20500, 20513 and 20514, St. Tammany Parish, Louisiana, with further particulars being stipulated in the instrument.

ConocoPhillips Company is designated as the joint account Lessee (contact person) pursuant to State Mineral and Energy Board Resolution dated September 10, 1975.

12. ASSIGNMENT

STATE LEASE NO. 1730,
Lafourche Parish, Louisiana

An Assignment from Samson Contour Energy E&P, LLC to Petrus Energy, LLC, an undivided 15% working interest in and to State Lease No. 1730, Lafourche Parish, Louisiana, **INSOFAR AND ONLY INSOFAR AS** such interests were derived through the Assignment, **LIMITED TO** the geographic boundaries of the SC3 SW RG SUA, **FUTHER LIMITED FROM** the surface of the earth down to and including 100' below the stratigraphic equivalent of 11,350', with further particulars being stipulated in the instrument.

Petrus Energy, LLC is designated as the joint account Lessee (contact person) pursuant to State Mineral and Energy Board Resolution dated September 10, 1975.

13. CORRECTION OF RESOLUTION

STATE LEASE NOS. 340,
4236, 5492 and 5516,
St. Mary, Terrebonne and
Vermilion Parishes, Louisiana

A Correction of Resolution No. 22 from the November 8, 2006 Meeting, being an Assignment from Castex Energy Inc., Castex Energy 1995, Inc. and Rabbit Island, L.P. to Energy XXI Gulf Coast Inc., whereas the following language was omitted from said Resolution and it is hereby being added..."All of Assignor's right, title and interest in, to and under or derived from the Assets limited to the Assets which include and relate to the Property Instruments which are included in Part B of Exhibit 1 hereto **LESS AND EXCEPT** the J and N Prospect, affecting State Lease Nos. 340, 4236, 5492 and 5516, St. Mary, Terrebonne and Vermilion Parishes, Louisiana.

B. STATE LEASE TRANSFERS
SEPTEMBER 14, 2011

14. ASSIGNMENT

STATE LEASE NO. 19065,
St. Bernard Parish, Louisiana

An Assignment from B&L Exploration, L.L.C. to Kaiser-Francis Gulf Coast, L.L.C., an undivided 14.4598% interest in and to State Lease No. 19065, St. Bernard Parish, Louisiana, with further particulars being stipulated in the instrument.

B&L Exploration, L.L.C. is designated as the joint account Lessee (contact person) pursuant to State Mineral and Energy Board Resolution dated September 10, 1975.

**C. DEPARTMENT OF WILDLIFE AND FISHERIES STATE AGENCY
LEASE TRANSFERS
SEPTEMBER 14, 2011**

The State Agency Leases require that any transfer of interest be approved by the Agency prior to the transfer. By Co-operative Endeavor Agreement, dated effective December 18, 2009, the Office of Mineral Resources has assumed responsibility for the administration of all State Agency Leases awarded by or on behalf of the said Department of Wildlife and Fisheries.

This section deals with transfers of interests in those State Agency Leases for the Department of Wildlife and Fisheries now under administration by the Office of Mineral Resources as staff of the Louisiana State Mineral and Energy Board and for which approval by the Board is being requested. Accompanying each item submitted in this section was an Ownership Transfer Form (Form-B) listing the pre-transfer and post-transfer interest of all party lease owners in the lease(s) herein set forth. Each document is carefully checked by the staff to ensure that the interest transfer figures are consistent with and reflect the interest in our records; and further, that all form requirements are met.

No items received for this category.

D. ADVERTISED PROPOSALS

SEPTEMBER 14, 2011

La. R.S. 30:129.1 provides that certain types of agreements entered into by the State with respect to its mineral leasing activity must be advertised within a specific time of the State Mineral and Energy Board meeting at which those agreements will be acted on.

These items are called advertised items. They consist of unitization agreements, lease amendments, gas production contracts, amendments, compromise agreements and other types of agreements. These items are checked by the staff to make sure that the contents of the agreement correctly reflect the understanding of all parties, that the form is authentic and properly notarized and that the items have met the statutory advertisement requirements.

1. UNITIZATION AGREEMENT (11-27)

STATE LEASE NOS. 19957,
20255, 20689, 20690, 20692
and 20693, St. Mary Parish,
Louisiana

A Unitization Agreement presented by Castex Energy 2005, LP, Castex Energy 2008, LP, Apache Corporation, Roda Drilling, LP and Theophilus Oil, Gas & Land Services, LLC, to create a 2,255.86 acre unit, identified as the **"South Atchafalaya Bay VUB"**, with 240.78 acres being attributable to State Lease No. 19957, 1,075.53 acres being attributable to State Lease No. 20255, 388.43 acres being attributable to State Lease No. 20689, 277.42 acres being attributable to State Lease No. 20690, 212.06 acres being attributable to State Lease No. 20692 and 61.64 acres being attributable to State Lease No. 20693, St. Mary Parish, Louisiana, with further particulars being stipulated in the instrument.

2. LEASE AMENDMENT (11-28)

STATE LEASE NOS. 3185,
3586 and 3909, St. Mary Parish,
Louisiana

A Lease Amendment presented by Phoenix Exploration Louisiana C LLC and CL&F Resources LP, whereas said parties desire to amend said leases to include a Force Majeure Provision and other required clauses, affecting State Lease Nos. 3185, 3586 and 3909, St. Mary Parish, Louisiana, with further particulars being stipulated in the instrument.

3. AMENDMENT OF UNITIZATION (11-29)
AGREEMENT

STATE LEASE NOS. 19067
and 19068, Cameron Parish,
Louisiana

An Amendment of the certain Unitization Agreement, dated April 9, 2008, presented by Alpine Drilling Program, L.P., et al, whereas said parties desire to amend the Sabine Lake VUA to change the geographic boundaries of the Unit Area to the boundaries particularly set forth and shown on Exhibit "A" attached hereto, within which there lies approximately 1,571.57 acres, more or less, with 972.19 acres being attributable to State Lease No. 19067 and 599.38 acres being attributable to State Lease No. 19068, Cameron Parish, Louisiana, with further particulars being stipulated in the instrument.

D. ADVERTISED PROPOSALS
SEPTEMBER 14, 2011

4. UNITIZATION AGREEMENT (11-30)

STATE LEASE NOS. 19067
and 20453, Cameron Parish,
Louisiana

A Unitization Agreement presented by Ballard Exploration Company, Inc., et al, to create a 381.59 acre unit, more or less, identified as the "**Sabine Lake Field VUB**", with 131.88 acres being attributable to State Lease No. 19067 and 249.71 acres being attributable to State Lease No. 20453, Cameron Parish, Louisiana, with further particulars being stipulated in the instrument.

5. UNITIZATION AGREEMENT (11-31)

STATE LEASE NOS. 20453
and 20472, Cameron Parish,
Louisiana

A Unitization Agreement presented by Ballard Exploration Company, Inc., et al, to create a 389.82 acre unit, identified as the "**Sabine Lake Field VUC**", with 288.15 acres being attributable to State Lease No. 20453 and 101.67 acres being attributable to State Lease No. 20472, Cameron Parish, Louisiana, with further particulars being stipulated in the instrument.